

GOLDEN AGRI-RESOURCES LTD

First Quarter Financial Statement And Dividend Announcement

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS
1(a) An income statement and statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year
**UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2014**

	1st Qtr 2014 <u>US\$'000</u>	1st Qtr 2013 <u>US\$'000</u>	Change %
Revenue	1,914,182	1,430,118	33.8
Cost of sales	<u>(1,524,634)</u>	<u>(1,072,942)</u>	42.1
Gross profit	<u>389,548</u>	<u>357,176</u>	9.1
Operating expenses			
Selling expenses	(169,578)	(128,310)	32.2
General and administrative expenses	<u>(63,454)</u>	<u>(56,270)</u>	12.8
Total operating expenses	<u>(233,032)</u>	<u>(184,580)</u>	26.2
Operating profit	<u>156,516</u>	<u>172,596</u>	(9.3)
Other income/(expenses)			
Financial income	5,002	3,313	51.0
Financial expenses	(28,734)	(23,732)	21.1
Share of results of associated companies, net of tax	16	(1)	n.m.
Share of results of joint ventures, net of tax	(582)	(131)	344.3
Foreign exchange gain, net	3,183	5,135	(38.0)
Other operating income, net	<u>4,164</u>	<u>4,132</u>	0.8
	<u>(16,951)</u>	<u>(11,284)</u>	50.2
Profit before tax	139,565	161,312	(13.5)
Tax	<u>(35,469)</u>	<u>(47,343)</u>	(25.1)
Profit for the period	<u>104,096</u>	<u>113,969</u>	(8.7)
Attributable to:			
Owners of the Company	103,866	112,838	(8.0)
Non-controlling interests	<u>230</u>	<u>1,131</u>	(79.7)
	<u>104,096</u>	<u>113,969</u>	(8.7)

Note: n.m. – not meaningful.

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2014**

	1st Qtr 2014 <u>US\$'000</u>	1st Qtr 2013 <u>US\$'000</u>
Profit for the period	104,096	113,969
Other comprehensive loss:		
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Foreign currency translation differences on consolidation	(3,556)	(362)
Total comprehensive income for the period, net of tax	<u>100,540</u>	<u>113,607</u>
Total comprehensive income attributable to:		
Owners of the Company	100,579	112,453
Non-controlling interests	<u>(39)</u>	<u>1,154</u>
	<u>100,540</u>	<u>113,607</u>

ADDITIONAL INFORMATION

Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange gain, and share of results of associated companies and joint ventures, net of tax ("EBITDA")

	1st Qtr 2014 <u>US\$'000</u>	1st Qtr 2013 <u>US\$'000</u>	Change %
Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange gain, and share of results of associated companies and joint ventures ("EBITDA")	200,312	210,696	(4.9)
Interest on borrowings	(27,671)	(23,256)	19.0
Depreciation and amortisation	(35,693)	(31,131)	14.7
Foreign exchange gain, net	3,183	5,135	(38.0)
Share of results of associated companies, net of tax	16	(1)	n.m.
Share of results of joint ventures, net of tax	(582)	(131)	344.3
Profit before tax	<u>139,565</u>	<u>161,312</u>	(13.5)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

UNAUDITED STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	As at		As at	
	31/3/2014 <u>US\$'000</u>	31/12/2013 <u>US\$'000</u>	31/3/2014 <u>US\$'000</u>	31/12/2013 <u>US\$'000</u>
Assets				
Current Assets				
Cash and cash equivalents	313,126	327,486	470	179
Short-term investments	325,636	259,266	-	-
Trade receivables	507,849	474,303	-	-
Other current assets (note (a))	738,409	705,502	175	147
Inventories	677,053	771,969	-	-
	2,562,073	2,538,526	645	326
Non-Current Assets				
Long-term receivables and assets (note (b))	426,195	447,673	-	-
Long-term investments	715,787	675,256	363,400	363,400
Subsidiary companies	-	-	2,589,333	2,587,012
Associated companies	7,689	7,673	-	-
Joint Ventures	8,638	8,220	-	-
Investment properties	1,292	1,351	-	-
Property, plant and equipment	2,386,898	2,350,951	-	-
Biological assets	7,993,586	7,988,140	-	-
Deferred tax assets	23,339	2,784	-	-
Deferred charges	10,481	11,412	-	-
Brands and trademarks	240	320	-	-
Goodwill	115,898	115,898	-	-
	11,690,043	11,609,678	2,952,733	2,950,412
Total Assets	14,252,116	14,148,204	2,953,378	2,950,738

UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

	Group		Company	
	As at		As at	
	31/3/2014 <u>US\$'000</u>	31/12/2013 <u>US\$'000</u>	31/3/2014 <u>US\$'000</u>	31/12/2013 <u>US\$'000</u>
Liabilities and Equity				
Current Liabilities				
Short-term loans	1,073,566	1,059,654	-	-
Trade payables	514,053	556,141	-	-
Other payables (note(c))	226,703	229,419	36,203	33,769
Taxes payable	70,162	38,881	-	-
Obligations under finance leases	15	15	-	-
	1,884,499	1,884,110	36,203	33,769
Non-Current Liabilities				
Obligations under finance leases	23	27	-	-
Bonds and notes payables	1,196,519	1,187,766	380,493	377,411
Long-term borrowings	321,423	333,334	-	-
Deferred tax liabilities	1,886,530	1,884,050	973	973
Long-term payables	59,209	55,544	-	-
	3,463,704	3,460,721	381,466	378,384
Total Liabilities	5,348,203	5,344,831	417,669	412,153
Equity Attributable to Owners of the Company				
Issued capital	320,939	320,939	320,939	320,939
Share premium	1,216,095	1,216,095	1,850,965	1,850,965
Other paid-in capital	184,318	184,318	-	-
Other reserve	3,329	3,329	-	-
Option reserve	31,469	31,469	31,469	31,469
Currency translation reserve	16,396	19,683	-	-
PRC statutory reserve	2,116	2,116	-	-
Retained earnings	7,046,472	6,942,606	332,336	335,212
	8,821,134	8,720,555	2,535,709	2,538,585
Non-Controlling Interests	82,779	82,818	-	-
Total Equity	8,903,913	8,803,373	2,535,709	2,538,585
Total Liabilities and Equity	14,252,116	14,148,204	2,953,378	2,950,738

UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

Note:

(a) Other Current Assets

	Group		Company	
	As at		As at	
	31/3/2014	31/12/2013	31/3/2014	31/12/2013
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Prepaid expenses	42,778	25,034	75	47
Prepaid taxes, net	124,828	109,944	-	-
Deposits and advances to suppliers	466,726	496,056	100	100
Others	60,677	46,851	-	-
	<u>695,009</u>	<u>677,885</u>	<u>175</u>	<u>147</u>
Related parties	43,400	27,617	-	-
	<u>738,409</u>	<u>705,502</u>	<u>175</u>	<u>147</u>

(b) Long-Term Receivables and Assets

	Group		Company	
	As at		As at	
	31/3/2014	31/12/2013	31/3/2014	31/12/2013
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Loan to joint ventures	16,252	16,110	-	-
Tax recoverable	240,663	260,637	-	-
Advances for project plasma plantations	21,175	17,019	-	-
Advances for projects	110,805	126,742	-	-
Land clearing	3,054	1,006	-	-
Advances for investments in land	4,533	4,533	-	-
Others	29,713	21,626	-	-
	<u>426,195</u>	<u>447,673</u>	<u>-</u>	<u>-</u>

(c) Other Payables

	Group		Company	
	As at		As at	
	31/3/2014	31/12/2013	31/3/2014	31/12/2013
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Advances from customers	36,164	48,461	-	-
Accrued expenses	67,801	55,327	298	530
Payable to third parties	86,017	99,143	5,000	2,500
Others	30,006	20,198	5	5
	<u>219,988</u>	<u>223,129</u>	<u>5,303</u>	<u>3,035</u>
Related parties	6,715	6,290	30,900	30,734
	<u>226,703</u>	<u>229,419</u>	<u>36,203</u>	<u>33,769</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	As at 31/3/2014 US\$'000			As at 31/12/2013 US\$'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	824,329	249,252	1,073,581	900,809	158,860	1,059,669
Amount repayable after one year	291,446	1,226,519	1,517,965	303,361	1,217,766	1,521,127
Total	1,115,775	1,475,771	2,591,546	1,204,170	1,376,626	2,580,796

Details of any collateral

The secured borrowings are collateralised by certain cash and cash equivalents, short-term investments, inventories, trade receivables, biological assets and property, plant and equipment.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2014**

	1st Qtr 2014 US\$'000	1st Qtr 2013 US\$'000
Cash flows from operating activities		
Profit before tax	139,565	161,312
Adjustments for:		
Depreciation	35,145	30,663
Amortisation	548	468
Unrealised foreign exchange gain, net	(8,014)	(974)
Share of results of associated companies, net of tax	(16)	1
Share of results of joint ventures, net of tax	582	131
Gain on disposal of property, plant and equipment	(117)	(39)
Property, plant and equipment written off	236	599
(Write-back of)/Allowance for impairment loss on inventories, net	(754)	659
Write-back of impairment loss on trade receivables	-	(10)
Changes in fair value of financial assets at fair value through profit or loss	(539)	1,252
Interest income	(5,002)	(3,313)
Interest expense	27,671	23,256
Operating cash flow before working capital changes	189,305	214,005
Changes in operating assets and liabilities:		
Trade receivables	(33,553)	13,217
Other current assets	(21,634)	(11,535)
Inventories	95,984	126,741
Trade payables	(42,088)	(63,757)
Other payables	(1,437)	2,725
Cash generated from operations	186,577	281,396
Interest received	827	2,783
Interest paid	(16,369)	(9,531)
Tax refund/(paid)	3,426	(50,529)
Net cash generated from operating activities	174,461	224,119

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2014 (cont'd)**

	1st Qtr 2014 <u>US\$'000</u>	1st Qtr 2013 <u>US\$'000</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	309	270
Proceeds from sale of biological assets	365	403
Capital expenditure on property, plant and equipment	(78,992)	(96,846)
Capital expenditure on biological assets	(5,811)	(6,199)
Investments in short-term investments, net	(65,423)	(24,600)
Investments in long-term investments	(40,939)	(93,091)
Additional investment in a joint venture	(1,000)	(500)
Investments in Plasma/KKPA Program plantations, net	(2,985)	(12,837)
Payments for deferred expenditure	(10)	(155)
Net decrease/(increase) in long-term receivables and assets	5,802	(29,735)
Net cash used in investing activities	<u>(188,684)</u>	<u>(263,290)</u>
Cash flows from financing activities		
Proceeds from short-term loans	650,076	197,000
Proceeds from notes issue	-	80,646
Payments of short-term loans	(576,860)	(270,610)
Payments of long-term borrowings	(73,094)	(32,876)
Payments of obligations under finance leases	(4)	(7)
Deferred loan charges and long-term bank loan administration costs	(255)	(350)
Decrease/(Increase) in cash in banks and time deposits pledged	5,031	(18,972)
Net cash generated from/(used in) financing activities	<u>4,894</u>	<u>(45,169)</u>
Net decrease in cash and cash equivalents	<u>(9,329)</u>	<u>(84,340)</u>
Cash and cash equivalents at the beginning of the period	<u>321,854</u>	<u>543,582</u>
Cash and cash equivalents at the end of the period	<u>312,525</u>	<u>459,242</u>
(See Note below)		

Note:

Cash and cash equivalents included in consolidated statement of cash flows consist of the following:

	31/3/2014 <u>US\$'000</u>	31/3/2013 <u>US\$'000</u>
Time deposits, cash and bank balances	313,126	494,170
Less: Cash in banks and time deposits pledged	(601)	(34,928)
	<u>312,525</u>	<u>459,242</u>

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

The Group	-----Attributable to Owners of the Company----->										
	Issued Capital	Share Premium	Other Paid-in Capital	Other Reserve	Option Reserve	Currency Translation Reserve	PRC Statutory Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 Jan 2014	320,939	1,216,095	184,318	3,329	31,469	19,683	2,116	6,942,606	8,720,555	82,818	8,803,373
Profit for the period	-	-	-	-	-	-	-	103,866	103,866	230	104,096
Other comprehensive loss	-	-	-	-	-	(3,287)	-	-	(3,287)	(269)	(3,556)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(3,287)	-	103,866	100,579	(39)	100,540
Balance as at 31 Mar 2014	320,939	1,216,095	184,318	3,329	31,469	16,396	2,116	7,046,472	8,821,134	82,779	8,903,913
Balance as at 1 Jan 2013	320,939	1,216,095	184,318	(48)	31,469	18,821	2,116	6,752,919	8,526,629	91,575	8,618,204
Profit for the period	-	-	-	-	-	-	-	112,838	112,838	1,131	113,969
Other comprehensive (loss)/income	-	-	-	-	-	(385)	-	-	(385)	23	(362)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(385)	-	112,838	112,453	1,154	113,607
Balance as at 31 Mar 2013	320,939	1,216,095	184,318	(48)	31,469	18,436	2,116	6,865,757	8,639,082	92,729	8,731,811

The Company	Issued Capital	Share Premium	Option Reserve	Retained Earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 Jan 2014	320,939	1,850,965	31,469	335,212	2,538,585
Loss for the period, representing total comprehensive loss for the period	-	-	-	(2,876)	(2,876)
Balance as at 31 Mar 2014	320,939	1,850,965	31,469	332,336	2,535,709
Balance as at 1 Jan 2013	320,939	1,850,965	31,469	469,571	2,672,944
Loss for the period, representing total comprehensive loss for the period	-	-	-	(6,003)	(6,003)
Balance as at 31 Mar 2013	320,939	1,850,965	31,469	463,568	2,666,941

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

The Company did not have treasury shares as at 31 March 2014 and 2013. There have been no changes to the number of issued ordinary shares of the Company since 31 December 2013.

	As at	
	31 Mar 2014	31 Mar 2013
Number of issued shares	12,837,548,556	12,837,548,556
Number of new shares that may be issued on the conversion of outstanding convertible bonds based on conversion price of S\$0.8819 (31 Mar 2013: S\$0.8896) per share	566,005,216	561,106,115

1(d)(iii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares as at 31 March 2014 and 31 December 2013 was 12,837,548,556 ordinary shares of US\$0.025.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

These figures have not been audited, or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Since 2009, the Group has adopted the practice of determining the fair value of the Group's biological assets on an annual basis, by reference to independent professional valuation based on the present value of expected net cash inflows from the plantations. Accordingly, no changes in fair value of biological assets are recognised on quarterly basis.

Except for the above, the Group has adopted accounting policies and methods of computation consistent with those used in the most recent audited annual financial statements for the year ended 31 December 2013.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Same as disclosed in Note 4 above.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings per ordinary share for the period after deducting any provision for preference dividends:-

(i) Based on weighted average number of ordinary shares

- Weighted average numbers of shares

(ii) On a fully diluted basis

- Weighted average numbers of shares

The Group	
1st Qtr 2014	1st Qtr 2013
USD0.81cents	USD0.88cents
12,837,548,556	12,837,548,556
Not applicable	Not applicable
Not applicable	Not applicable

7. Net asset value (for the issuer and group) per ordinary share based on issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

Net asset value per ordinary share based on existing issued share capital of 12,837,548,556 shares

The Group		The Company	
As at 31 Mar 2014	As at 31 Dec 2013	As at 31 Mar 2014	As at 31 Dec 2013
US\$0.69	US\$0.68	US\$0.20	US\$0.20

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

	1st Qtr 2014	1st Qtr 2013	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Revenue by segment			
Plantation and palm oil mills	501,046	426,909	17.4
Palm and laurics	1,635,883	1,124,677	45.5
Oilseeds	210,920	238,917	(11.7)
Others	46,588	51,366	(9.3)
Inter-segment eliminations	(480,255)	(411,751)	16.6
Total Revenue	<u>1,914,182</u>	<u>1,430,118</u>	33.8
EBITDA by segment			
Plantation and palm oil mills	171,588	132,498	29.5
Palm and laurics	29,628	73,907	(59.9)
Oilseeds	(3,272)	1,876	n.m.
Others	2,480	1,697	46.1
Eliminations	(112)	718	n.m.
Total EBITDA	<u>200,312</u>	<u>210,696</u>	(4.9)

Notes:

- (1) EBITDA refers to earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange gain, and share of results from associated companies and joint ventures, net of tax.
- (2) n.m. - not meaningful.
- (3) Plantation and palm oil mills segment refers to products from upstream business.
- (4) Palm and laurics segment refers to processing and merchandising of palm based products, i.e. bulk and branded as well as oleochemicals.
- (5) Oilseeds segment refers to processing and merchandising of oilseed based products, i.e. bulk and branded.
- (6) Others refer to production of food products in China, such as noodle.

REVIEW OF GROUP PERFORMANCE FOR THE PERIOD ENDED 31 MARCH 2014

The Group recorded 33.8% increase in revenue to US\$1,914.2 million and EBITDA of US\$200.3 million for the 3-month period ended 31 March 2014 ("1Q2014").

REVENUE

Increase in the Group's revenue was mainly attributable to higher sales volume from our palm and laurics segment and improved international crude palm oil ("CPO") prices. The average international CPO (FOB Belawan) price increased from US\$797 per tonne to US\$865 per tonne in 1Q2014.

Palm and laurics – Revenue from palm and laurics segment increased by 45.5% to US\$1,635.9 million in 1Q2014 primarily attributable to increase in sales volume supported by our expanded downstream activities.

Plantation and palm oil mills – Revenue from plantation and palm oil mills segment increased by 17.4% to US\$501.0 million in 1Q2014 primarily attributable to improved productions and higher CPO prices during the current period. Our fresh fruit bunch ("FFB") production for 1Q2014 increased by 4.4% from 2,149,000 tonnes in 1Q2013 to 2,243,000 tonnes.

Oilseeds – Revenue from oilseeds segment decreased by 11.7% to US\$210.9 million in 1Q2014. The decline was mainly due to lower average selling prices and sales volume in view of the challenging operating environment in China.

COST OF SALES

Cost of sales increased by 42.1% to US\$1,524.6 million in 1Q2014 mainly attributable to increase in palm products purchase in line with higher sales volume of refined palm products.

GROSS PROFIT

The Group's gross profit was US\$389.5 million in 1Q2014 compared to US\$357.2 million in the previous corresponding period in 2013 ("1Q2013") mainly attributable to higher contribution from our plantation and palm oil mills business segment.

Lower gross profit margin was mainly affected by the negative soybean crushing margin and the compressed refining margin due to tight CPO supply.

OPERATING EXPENSES

- **Selling expenses**

Selling expenses of US\$169.6 million comprised mainly export tax, transportation and freight, advertising and promotion, and salaries. Higher selling expenses was mainly due to increases in export tax incurred in line with higher CPO prices and freight costs in line with higher sales volume for the current period.

- **General and administrative expenses**

General and administrative expenses of US\$63.5 million comprised mainly salaries and related expenses, rent, tax and licenses, depreciation, repairs and maintenance, and professional fees. Increase in general and administrative expenses was mainly due to higher salaries and related expenses.

EBITDA

EBITDA of the Group was lower at US\$200.3 million in 1Q2014 as compared to US\$210.7 million mainly due to lower contribution from our downstream businesses.

Plantation and palm oil mills – EBITDA from plantation and palm oil mills segment increased to US\$171.6 million in 1Q2014 mainly attributable to higher productions and higher CPO prices during the current period.

Palm and laurics – EBITDA from palm and laurics segment decreased to US\$29.6 million in 1Q2014 primarily attributable to lower refining margin due to the tight CPO supply during the current period.

Oilseeds – Oilseeds segment recorded a negative EBITDA of US\$3.3 million as compared to a positive EBITDA of US\$1.9 million in 1Q2013 mainly due to the challenging operating environment in China.

FINANCIAL EXPENSES, NET

Net financial expenses comprised net interest expenses (after deducting interest income), amortisation of deferred loan charges and other finance charges. Net financial expenses increased from US\$20.4 million in 1Q2013 to US\$23.7 million in the current period in line with higher average borrowings.

FOREIGN EXCHANGE GAIN, NET

Net foreign exchange gain decreased from US\$5.1 million in 1Q2013 to US\$3.2 million mainly attributable to translation loss on USD denominated borrowings in our subsidiaries in China as USD strengthened against Chinese Renminbi ("RMB") in 1Q2014.

TAX

Income tax comprised provision for current and deferred income tax derived by applying the varying statutory tax rates of the different countries in which the Group operates on its taxable profit and taxable temporary difference. No group relief is available for set-off of taxable profits against tax losses of companies within the Group.

Tax expense decreased from US\$47.3 million to US\$35.5 million in 1Q2014 mainly due to recognition of deferred tax income, partially offset by higher current income tax expenses in line with higher taxable income recorded in certain subsidiaries in Indonesia.

REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2014

ASSETS

Total assets of the Group increased by US\$103.9 million from US\$14,148.2 million as at 31 December 2013 to US\$14,252.1 million as at 31 March 2014.

Current Assets

Current assets increased by US\$23.5 million mainly attributable to increases in short-term investments, and trade and other current assets, partially offset by lower inventories.

Short-term investments increased by US\$66.4 million primarily due to higher time deposits placed for a period of over three months but not more than one year and additional short-term investments made during 1Q2014.

Other current assets increased by US\$32.9 million mainly attributable to higher prepaid expenses and higher prepaid value added tax arising from purchases and capital expenditure in Indonesia.

Inventories decreased by US\$94.9 million due to lower inventory level for CPO and palm products.

Non-Current Assets

Non-current assets increased by US\$80.4 million mainly contributed by property, plant and equipment and long-term investments.

Property, plant and equipment increased by US\$35.9 million mainly due to construction of plantation facilities, refinery and oleo-chemical facilities in Indonesia.

The increase in long-term investments of US\$40.5 million was due to additional funds investment.

LIABILITIES

Total liabilities of the Group remained fairly constant at US\$5,348.2 million as at 31 March 2014 as compared to US\$5,344.8 million as at 31 December 2013.

REVIEW OF CONSOLIDATED CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2014

During the current quarter, the Group generated cash of US\$174.5 million from its operating activities, which was used to finance the capital expenditures incurred and additional investments (including placement in time deposits more than 3 months) made.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The outlook for the palm oil industry is expected to remain positive given its strong fundamentals, supported by robust primary demand growth for edible oils, substitutes and alternative uses such as oleo-chemicals and biodiesel, while supply growth is limited. Nonetheless, the Group's operating performance will be affected by the sustainability of the global economic recovery, climatic conditions, as well as developments in Indonesia and China. Moving forward, we will increase our production of sustainable palm oil and optimise our downstream value chain opportunities in order to capitalise on the positive long-term demand growth. We will also continue to enhance our integrated operations by extending our distribution and logistics capabilities to reach out to more destination markets.

11. Dividend

(a) Current Financial Period Reported On

Any ordinary dividend declared for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any ordinary dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared for the quarter ended 31 March 2014.

13. Interested persons transactions disclosure

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
	1Q2014	1Q2014
	US\$	US\$
Ningbo Asia Paper Tube & Carton Box Co., Ltd	Nil	138,424
PT Asuransi Sinar Mas	Nil	1,964,468
PT Bank Sinarmas	Nil	4,008,319 *
PT Cakrawala Mega Indah	Nil	1,757,365
PT Rolimex Kimia Nusamas	Nil	904,926
PT Royal Oriental	Nil	188,574
PT Sinar Jati Mitra	Nil	355,199
PT Sinar Mas Teladan	Nil	298,330
Sinarmas Land Limited	Nil	383,583
Total	Nil	9,999,188

Note:

* Principal amount as at 31 March 2014 is approximately US\$2.0 million.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Not applicable.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable.

16. A breakdown of sales

Not applicable.

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable.

18. Confirmation pursuant to the Rule 705(5) of the listing manual

We, Simon Lim and Rafael Buhay Concepcion, Jr., being two directors of Golden Agri-Resources Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to their attention which would render the first quarter ended 31 March 2014 unaudited financial results to be false or misleading.

On behalf of the board of directors

Simon Lim
Director

Rafael Buhay Concepcion, Jr.
Director

14 May 2014

BY ORDER OF THE BOARD

Rafael Buhay Concepcion, Jr.
Director
14 May 2014

Submitted by Kimberley Lye Chor Mei, Director, Corporate Secretarial on 14 May 2014 to the SGX